

News Release

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USDA ANNOUNCES 1998-1999 MARKETING YEAR PENALTY RATES FOR EXCESS TOBACCO

WASHINGTON, May 21, 1998 - - The U.S. Department of Agriculture today announced the penalty rates that will be charged producers, dealers, and warehouse operators for marketing excess tobacco during the 1998-1999 marketing year.

Section 314 of the Agricultural Adjustment Act of 1938, as amended, requires that USDA collect these assessments. The "penalty" rate is 75 percent of the average market price for that kind of tobacco for the previous market year. This law applies to every kind of tobacco subject to marketing quotas. When the average market prices for each kind of tobacco are determined and announced, the penalty rates are then calculated.

Kinds of tobacco and their penalty rates for the 1998-1999 Marketing Year are:

Rate of Penalty	
Kind of Tobacco	Dollars per Pound
Flue-cured (types 11-14)	1.29
Burley (type 31)	1.41
Fire-cured (type 21)	1.59
Fire-cured (types 22-23)	1.69
Dark Air-cured (types 35-36)	1.51
Virginia Sun-cured (type 37)	1.43
Cigar Filler and Binder(types 42-44, 54 and 55)	1.13

Further program information is available from Misty L. Jones, (202) 720-0200, e-mail misty_jones@wdc.fsa.usda.gov

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